



MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Oversight Board of the Successor Agency
City of Hollister
Hollister, California

We have performed the minimum required procedures enumerated in Attachment A, which were agreed to by the California State Controller's Office, Department of Finance, and the City of Hollister Redevelopment Successor Agency, solely to assist you in ensuring that the Successor Agency is complying with statutory requirements with respect to Health and Safety Code (HSC) 34179.5 as applied to the other funds of the former Redevelopment Agency. The Successor Agency is responsible for the accounting records pertaining to statutory compliance pursuant to HSC 34179.5. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The scope of the engagement was limited to performing the minimum required agreed-upon procedures as set forth in Attachment A. Findings noted as a result of the procedures performed are immediately following the description of the procedure.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in Attachment A. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the State Controller's Office, Department of Finance, and the City of Hollister Redevelopment Successor Agency and is not intended to be and should not be used by anyone other than those specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Mann Urrutia Nelson CPAs

Sacramento, California
December 3, 2012

**List of Procedures and Findings for Due Diligence Review
Applicable to the other funds of the former Redevelopment Agency**

Citation:

34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.

Procedure(s) Performed:

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Finding:

No exceptions were noted as a result of applying this procedure. The amount of non-housing assets transferred to the Successor Agency on February 1, 2012 totaled \$13,208,600.

Citation:

34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

Procedure(s) Performed:

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
 - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Finding:

Per the Successor Agency, the former redevelopment agency transferred the City of Hollister Fire Station to the City that formed the redevelopment agency during the period from January 1, 2011 through January 31, 2012. See attachment B. The purpose of the transfer was for the continued fire protection services provided by the City. No legal document exists that required the transfer of the property. The Successor Agency transferred assets to the City that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012 totaling \$922,198. The amount transferred represents costs incurred to complete the construction of the Hollister Fire Station. No legal document exists that require the transfer of the property.

Citation:

34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

Procedure(s) Performed:

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
 - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
 - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Finding:

Per the Successor Agency, the former redevelopment agency did not transfer any non-housing assets to another public agency or private parties for the period from January 1, 2011 through January 31, 2012, nor did the Successor Agency transfer any assets to another public agency or private parties for the period from February 1, 2012 through June 30, 2012. Therefore, no further procedures are deemed necessary under procedure 3.

Citation:

34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.

Procedure(s) Performed:

4. Perform the following procedures:
 - A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
 - B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
 - C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
 - D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

Finding:

No exceptions were noted in performing the procedures above. See attachment C. We traced the June 30, 2010 amounts in the summary schedule to the June 30, 2010 state controller's report filed for the Redevelopment Agency for that period and no exceptions were noted. We traced the June 30, 2011 balances in the financial summary to the audited financial statements for that period and no exceptions were noted. The financial summary for the 7 month period of the former Redevelopment Agency ending January 31, 2012 was traced to the accounting records with no exceptions noted. We traced the financial summary for the 5 month period ending June 30, 2012 of the Successor Agency to the accounting records with no exceptions noted.

Citation:

34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:

(A) A statement of the total value of each fund as of June 30, 2012.

Procedure(s) Performed:

5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Finding:

No exceptions were noted as a result of applying this procedure. See attachment D for listing of total assets of the Successor Agency as of June 30, 2012.

Citation:

34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

Procedure(s) Performed:

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:
 - A. Unspent bond proceeds:
 - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
 - B. Grant proceeds and program income that are restricted by third parties:
 - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
 - C. Other assets considered to be legally restricted:
 - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
 - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
 - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.
 - D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Finding:

Per the Successor Agency, asset balances in the amount of \$5,081,959 held on June 30, 2012 are restricted. The balance is the required bond debt reserve that is maintained for debt service and unspent bond proceeds in the amount of \$230,333. We traced the restricted amount to the accounting records of the Successor Agency and noted no differences. We reviewed the debt agreement and noted language restricting use of the bond debt reserve balance. Per the agreement, the bond reserves are required for the life of the debt until the balance is satisfied. We were not able to trace the unspent bond proceeds in the amount of \$230,333 to the accounting records as the balance is pooled with the bond debt reserve balance.

Citation:

34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.

Procedure(s) Performed:

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

Finding:

See attachment E for listing of non-liquid assets of the Successor Agency as of June 30, 2012. We traced the listed assets and their purchase cost to the accounting records of the Successor Agency. No exceptions were noted in performing the procedures above.

Citation:

34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.

Procedure(s) Performed:

8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.

- i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
 - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
 - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
 - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.
- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
 - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
 - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
 - iii. For the forecasted annual revenues:
 - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.
- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
 - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
 - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.
- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
 - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
 - iii. Include the calculation in the AUP report.

Finding:

The Successor Agency does not believe asset balances need to be retained to satisfy enforceable obligations. No further procedures deemed necessary under procedure 8.

Citation:

34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

Procedure(s) Performed:

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

Finding:

The Successor Agency does not believe asset balances need to be retained to satisfy enforceable obligations listed on the Recognized Enforceable Obligations for the periods of July 1, 2012 – December 31, 2012 and January 1, 2013 – June 30, 2013 as the funding for the ROPS have been requested through the RPTTD for the fiscal year. The RPTTF obligation approved by the Department of Finance total \$2,587,132; the amount requested by the Successor Agency total \$2,632,604. See attachment F.1 for a copy of the ROPS for the period July 1, 2012 through December 31, 2012. The Department of Finance has contested specific items listed on the ROPS for the period January 1, 2013 through June 30, 2013; the Department is reviewing the obligations noted in attachment F.2 and is pending approval. No further procedures deemed necessary under procedure 9.

Citation:

34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.

Procedure(s) Performed:

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

Finding:

No exceptions were noted as a result of applying this procedure. See attachment G.1 for Balance Available for Allocation to Affected Taxing Entities. See attachment G.2 and G.3 for evidence of payment already made to the County Auditor-Controller.

STATE CONTROLLER'S OFFICE
ASSET TRANSFER ASSESSMENT
ASSEMBLY BILL X1 26

FORMER REDEVELOPMENT AGENCY NAME

City of Hollister Redevelopment Agency

11-DIGIT ID #

13983537200

SUCCESSOR AGENCY

City of Hollister

DATE PREPARED

09-May-12

CONTACT NAME

Bill Avera

PHONE

(831)636-4360

TITLE

Development Services Director

E-MAIL ADDRESS

bill.avera@hollister.ca.gov

A		B		C		D		E
ASSET DESCRIPTION		CARRYING VALUE AS OF		IF THE ASSET WAS TRANSFERRED TO A CITY, COUNTY, OR OTHER PUBLIC AGENCY BETWEEN JANUARY 1, 2011 AND JANUARY 31, 2012 (EXCLUDE HOUSING ASSETS):		WAS THE ASSET CONTRACTUALLY COMMITTED OR ENCUMBERED TO A THIRD PARTY AFTER JUNE 29, 2011?		WAS THE TRANSFER REVERSED?
		DECEMBER 31, 2010	JANUARY 31, 2012	TRANSFER DATE	PUBLIC AGENCY	YES/NO	IF YES, DATE	YES/NO
City of Hollister Fire Station		Unassessed	Unassessed	29-Jun-11	City of Hollister	No		No

	Redevelopment Agency 12 Months Ended 6/30/2010	Redevelopment Agency 12 Months Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/2012
Assets (modified accrual basis)				
Cash	\$ 2,216,114	\$ 2,075,758	\$ 2,820,756	\$ 9,717,517
Restricted Cash	10,549,338	9,513,934	5,950,700	5,081,959
Accounts Receivable	504,511	7,528	-	-
Interest Receivable	2,863	2,922	-	-
Notes Receivable	2,268,910	2,295,890	2,301,961	2,584,619
Due from the City	184,913	180,398	-	-
Due from other Fund	-	-	-	1,311,259
Land Held for Resale	4,810,482	4,893,154	4,893,154	4,893,154
	-	-	-	-
Total Assets	\$ 20,537,131	\$ 18,969,584	\$ 15,966,571	\$ 23,588,508
Liabilities (modified accrual basis)				
Accrued Liabilities	\$ 113,195	\$ 737,323	\$ 29,342	\$ 90,435
Deferred Revenue	2,268,910	2,295,890	2,295,890	-
Deposits payable	31,000	31,000	31,000	31,000
Due to the City	53,941	165,903	-	-
Due to other Fund	-	-	-	1,311,260
Bond Issuance costs	-	-	-	352,473
Bond Payable	-	-	-	43,305,000
	-	-	-	-
Total Liabilities	\$ 2,467,046	\$ 3,230,116	\$ 2,356,232	\$ 45,090,168
	-	-	-	-
Equity	18,070,085	15,739,468	13,610,339	(21,501,660)
Total Liabilities + Equity	\$ 20,537,131	\$ 18,969,584	\$ 15,966,571	\$ 23,588,508
Total Revenues:	\$ 14,184,590	\$ 5,386,282	\$ 3,576,502	\$ 4,090,450
Total Expenditures:	\$ 11,736,576	\$ 7,666,899	\$ 5,705,631	\$ 25,592,110
Total Transfers:	\$ (1,194,034)	\$ (50,000)	\$ -	\$ -
Net change in equity	\$ 1,253,980	\$ (2,330,617)	\$ (2,129,129)	\$ (21,501,660)
Beginning Equity:	\$ 16,816,105	\$ 18,070,085	\$ 15,739,468	\$ -
Ending Equity:	\$ 18,070,085	\$ 15,739,468	\$ 13,610,339	\$ (21,501,660)
Other Information (show year end balances for all three years presented):				
Capital assets as of end of year	569,455	2,020,769	2,020,769	-
Long-term debt as of end of year	45,486,059	44,491,793	43,305,000	43,305,000

City of Hollister

Fund: 850 - SUCESSOR AGENCY, excluding Housing Assets

<u>Account</u>	<u>Name</u>	<u>Balance</u>
850-101101	CLAIM ON CASH	\$ 2,813,767
850-110011	TAX ALLOC CASH WFA-DEBT SERVICE	1
850-110029	TAX/ALLOC 03 CASH WFA-RESERVE	1,697,327
850-110031	TAX/ALLOC 03 CASH WFA-RES SUB	1,221,242
850-110044	TAX/ALLOC 03 CASH WFA-EXP. FUND	20,474
850-110048	2009 CASH WFA-RESERVE	630,691
850-110054	2009 RDA FUND	1,503,954
850-110055	2009 CASH WFA_EXPENSE FUND	8,270
850-120021	LEATHERBACK PURCHASE FOR RESALE	4,120,864
850-120024	400 BLOCK PROPERTY FOR RESALE	772,290
850-140002	2009 RDA Deferred Charges	339,823
850-150001	DUE FROM OTHER FUNDS	1,311,259
850-160004	GARCIA JEWELRY 3.5%	33,231
850-160202	L/A_RDA/M. VELASQUEZ/2006-41R	100,000
850-160205	L/A-RDA/CAIN & RENZ/2006-42R	81,000
850-160218	LOANS: COMPUTERS	56
850-160225	HONDA POWERHOUSE LOAN	1,900,000
850-160479	801 SAN BENITO FACADE IMP_20K	3,079
850-160480	347 SAN BENITO FACADE IMP_55K	55,000
850-160481	341 TRES PINOS FACADE IMP_40K	40,000
850-160482	421 EAST ST FACADE IMP_11,880	10,784
850-160483	BORELLI/FELICE-730 SAN BENITO	20,000
850-160484	BORELLI/FELICE_738-756 SAN BENITO	20,000
850-160485	SBC HEALTH FACADE IMP_20K	20,000
850-160492	RENTZ, T. T. J. & K./339 7TH ST	19,800
850-160493	TONY LOBUE/726 SAN BENITO ST	20,000
850-160496	DMC - AJ Sushi	18,108
850-160495	A&R PROPERTIES/41 FIFTH ST	19,425
850-170002	EMPLOYEE LOAN	5,908
850-195001	ALLOWANCE FOR DOUBTFUL ACCOUNTS	(121,594)
	Total Assets	<u>\$ 16,684,758</u>

City of Hollister

Fund: 850 - SUCESSOR AGENCY

Non-liquid Assets

Account	Name	Balance
850-120021	LEATHERBACK PURCHASE FOR RESALE	4,120,864
850-120024	400 BLOCK PROPERTY FOR RESALE	772,290
850-140002	2009 RDA Deferred Charges	339,823
850-150001	DUE FROM OTHER FUNDS	1,311,259
850-160004	GARCIA JEWELRY 3.5%	33,231
850-160202	L/A_RDA/M. VELASQUEZ/2006-41R	100,000
850-160205	L/A-RDA/CAIN & RENZ/2006-42R	81,000
850-160225	HONDA POWERHOUSE LOAN	1,900,000
850-160479	801 SAN BENITO FACADE IMP_20K	3,079
850-160480	347 SAN BENITO FACADE IMP_55K	55,000
850-160481	341 TRES PINOS FACADE IMP_40K	40,000
850-160482	421 EAST ST FACADE IMP_11,880	10,784
850-160483	BORELLI/FELICE-730 SAN BENITO	20,000
850-160484	BORELLI/FELICE_738-756 SAN BENITO	20,000
850-160485	SBC HEALTH FACADE IMP_20K	20,000
850-160492	RENTZ, T. T. J. & K./339 7TH ST	19,800
850-160493	TONY LOBUE/726 SAN BENITO ST	20,000
850-160496	DMC - AJ Sushi	18,108
850-160495	A&R PROPERTIES/41 FIFTH ST	19,425
850-195001	ALLOWANCE FOR DOUBTFUL ACCOUNTS	(121,594)
850-170002	EMPLOYEE LOAN	5,908
850-160218	LOANS: COMPUTERS	56
Total non-liquid assets		<u>\$ 8,789,033</u>

Name of Redevelopment Agency: City of Hollister RDA
 Project Area: Hollister Project Area

ATTACHMENT B ROPS II
 EXHIBIT 2 Resolution 2012-03 OB

FORM A - Redevelopment Property Tax Trust Fund (RPTTF)

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34177 (*)

Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source	Payable from the Redevelopment Property Tax Trust Fund (RPTTF)						
							Payments by month						Total
							July 2012	Aug 2012	Sept. 2012	Oct. 2012	Nov. 2012	Dec 2012	
1) 1997 Tax Allocation Bond	05/01/1997	Union Bank of California	Tax-exempt bond	\$ 8,000,000	\$ 954,853	RPTTF	\$ -	\$ -	\$ -	\$ 954,853	\$ -	\$ -	\$ 954,853
2) 2003 Tax Allocation Bond	08/01/2003	Union Bank of California	Tax-exempt bond	\$ 33,890,000	\$ 1,812,441	RPTTF	\$ -	\$ -	\$ -	\$ 938,721	\$ -	\$ -	\$ 938,721
3) 2009 Tax Allocation Bond	07/22/2009	Union Bank of California	Tax-exempt bond	\$ 3,530,000	\$ 954,853	RPTTF	\$ -	\$ -	\$ -	\$ 446,403	\$ -	\$ -	\$ 446,403
4) Fiscal Agent Fee		Union Bank of California	1997 and 2003 Bond fees for fiscal agent	\$ 154,000	\$ 7,000	RPTTF	\$ -	\$ -	\$ -	\$ 7,000	\$ -	\$ -	\$ 7,000
5) Fiscal Agent Fee	07/22/2009	Union Bank of California	2009 Bond Administration	\$ 154,000	\$ 7,000	RPTTF	\$ -	\$ -	\$ -	\$ 7,000	\$ -	\$ -	\$ 7,000
6) Bond Expense Funds		Union Bank of California	Expense Fund Requirement for bonds	\$ -	\$ 28,472	RPTTF	\$ -	\$ -	\$ -	\$ 28,472	\$ -	\$ -	\$ 28,472
7) Continuing Bond Disclosure		Wildan Financial Services	Annual continuing disclosure	\$ 11,000	\$ 500	RPTTF	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ 500
8) 801 San Benito Façade Loan	11/04/2009	Mitch Dabo	Façade Improvement Loan	\$ 16,921	\$ 16,921	RPTTF	\$ 8,921	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 16,921
9) 737 San Benito Façade Loan	06/08/2011	DMC	Façade Improvement Loan	\$ 1,890	\$ 1,890	RPTTF	\$ 1,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,890
10) Contract for consulting services	Contract Appraiser	To be determined	Appraisal of 400 block property for resale		\$ 5,000	RPTTF	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000
11) Contract for consulting services	Contract Engineer	To be determined	Parcel merger, lot line adjustments, abandon alley		\$ 15,000	RPTTF	\$ -	\$ -	\$ -	\$ 7,000	\$ 8,500	\$ -	\$ 15,500
12) Legal Advertising		Main Street Media	400 block legal notice		\$ 600	RPTTF	\$ -	\$ -	\$ -	\$ -	\$ 600	\$ -	\$ 600
13) Property Insurance		Hartford Fund	400 block property insurance		\$ 2,400	RPTTF	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 2,400
14) Bond Counsel		Sibley Austin	Legal consulting services for bonds	\$ 42,000	\$ 5,000	RPTTF	\$ 500	\$ 500	\$ 500	\$ 500	\$ 250	\$ 250	\$ 2,500
15) Contract for Consulting services		To be determined	Oversight Board counsel asset dissolution case by case		\$ 30,000	RPTTF	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 15,000
16) Training Books		To be determined	Training Oversight Board		\$ 1,660	RPTTF	\$ 157	\$ 157	\$ 157	\$ 157	\$ 157	\$ 157	\$ 942
17) Prospect Villa II	01/04/2010	Hollister Investment Group IV	Tenant based rental assistance	\$ 350,000	\$ 50,000	RPTTF	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,166	\$ 4,166	\$ 25,000
18) Project Management		City of Hollister	Management of affordable housing covenants	4,214,500.00	\$ 210,630	RPTTF	\$ 17,533	\$ 17,533	\$ 17,533	\$ 17,533	\$ 17,533	\$ 17,533	\$ 105,198
19) Section 8 housing		Santa Cruz Housing Authority	Section 8 Housing Administration	924,000.00	\$ 64,000	RPTTF	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 42,000
20) Contract for consulting services		San Benito County Admin	Computer Program - GIS Housing covenant monitor		\$ 933	RPTTF	\$ 233	\$ 233	\$ 233	\$ 233	\$ 233	\$ 233	\$ 1,398
21) Contract for consulting services		Env. Systems Resources	GIS Software lic.maintenance for housing covenants		\$ 433	RPTTF	\$ 108	\$ 108	\$ 108	\$ 108	\$ 108	\$ 108	\$ 648
22) Office Utilities		PG&E, AT&T, Verizon, Hollister	Utilities office lease area affordable housing program monitor		\$ 3,915	RPTTF	\$ 326	\$ 326	\$ 326	\$ 326	\$ 326	\$ 326	\$ 1,956
23) Copy Machine lease		Toshiba	Copy machine lease affordable housing program monitor		\$ 1,665	RPTTF	\$ 139	\$ 139	\$ 139	\$ 139	\$ 139	\$ 139	\$ 834
24) Office Space lease		City of Hollister	Office space lease area rent for housing covenants monitor		\$ 17,743	RPTTF	\$ 1,479	\$ 1,479	\$ 1,479	\$ 1,479	\$ 1,479	\$ 1,479	\$ 8,874
25) Contract for janitorial		Central Maintenance Co.	Janitorial services for housing monitor office		\$ 3,627	RPTTF	\$ 295	\$ 295	\$ 295	\$ 295	\$ 295	\$ 295	\$ 1,770
26) Office Supplies and Printing		Staples	Office supply and printing for housing covenants monitor		\$ 2,921	RPTTF	\$ 243	\$ 243	\$ 243	\$ 243	\$ 243	\$ 243	\$ 1,458
27) Property Insurance		Hartford Fund	Property Insurance for office space for housing		\$ 1,933	RPTTF	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 161	\$ 966
28)													
29)													
30)													
31)													
32)													
Totals - This Page (RPTTF Funding)				\$ 51,288,311.00	\$ 4,201,290.00	N/A	\$ 45,852.00	\$ 43,041.00	\$ 35,041.00	\$ 2,424,990.00	\$ 48,890.00	\$ 34,790.00	\$ 2,632,604.00 *
Totals - Page 2 (Other Funding)				\$ -	\$ 689,624.00	N/A	\$ 684,524.00	\$ 4,500.00	\$ 600.00	\$ -	\$ 64,097.00	\$ -	\$ 753,721.00
Totals - Page 3 (Administrative Cost Allowance)				\$ -	\$ 291,150.00	N/A	\$ 24,262.00	\$ 24,262.00	\$ 24,262.00	\$ 24,262.00	\$ 24,262.00	\$ 24,262.00	\$ 145,572.00
Totals - Page 4 (Pass Thru Payments)				\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand total - All Pages				\$ 51,288,311.00	\$ 5,182,064.00		\$ 754,638.00	\$ 71,803.00	\$ 59,903.00	\$ 2,449,252.00	\$ 137,249.00	\$ 59,052.00	\$ 3,531,897.00

** All totals due during fiscal year and payment amounts are projected.
 *** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
 RPTTF - Redevelopment Property Tax Trust Fund
 LMHF - Low and Moderate Income Housing Fund
 Bonds - Bond proceeds
 Admin - Successor Agency Administrative Allowance

* - Per the Department of Finance, the total RPTTF obligation approved is \$2,587,132

Name of Successor Agency: _____
 County: _____

City of Hollister
 San Benito

Oversight Board Approval Date: 8/30/2012

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)
 January 1, 2013 through June 30, 2013

Item #	Project Name / Debt Obligation	Contract/ Agreement Execution Date	Contract/ Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source					Six-Month Total
									LMHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other
Grand Total							\$ 43,341,053	\$ 5,861,788	\$ -	\$ 230,333	\$ 3,722,147	\$ 125,000	\$ 1,864,615	\$ -
1	1997 Tax Allocation Bonds	5/1/1997	10/1/2013	Union Bank of California	Tax exempt (TE) 1997 Bond - refinancing prior bonds	Hollister	\$ 1,001,063	\$ 94,853	\$ -	\$ -	\$ 954,853	\$ -	\$ 25,531	\$ -
2	2003 Tax Allocation Bonds	8/1/2003	10/1/2032	Union Bank of California	Tax exempt (TE) 2003 Bond - refinancing prior bonds	Hollister	\$ 33,700,000	\$ 1,812,441	\$ -	\$ -	\$ 1,812,441	\$ -	\$ 871,803	\$ -
3	2008 Tax Allocation Bonds	7/22/2008	10/1/2032	Union Bank of California	TE 2008 Bonds-Fine St. 1 W. Gateway Streetscape: Pay	Hollister	\$ 7,475,000	\$ 954,853	\$ -	\$ -	\$ 954,853	\$ -	\$ 232,728	\$ -
4	Fiscal Agent Fee for Bonds			Union Bank of California	Fiscal Agent Fees for bonds	Hollister			\$ -	\$ -	\$ -	\$ -	\$ 2,440	\$ -
5	Bond Expense Funds			Wilson Financial Services	Annual continuing disclosure for bonds	Hollister			\$ -	\$ -	\$ -	\$ -	\$ 4,050	\$ -
6	Bond Expenses			United States Treasury	Arbitrage rebate for bonds	Hollister			\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -
7	Successor Agency Admin Costs			City of Hollister	Successor Agency Administrative Costs	Hollister			\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
8	Rent assistance Section 8			San Joaquin Housing Authority	Section 8 Housing Administration - rent assistance	Hollister	\$ 840,000	\$ 840,000	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ -
9	Project Management - housing	Variable	8/17/1905	City of Hollister	Project Management Affordable Housing Covenant Monitor	Hollister	\$ 325,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 105,315	\$ -
10	Prospect Villa apartments	10/1/2010	1/4/2019	Hollister Inv. Group IV	Tenant Based Rental Assistance	Hollister			\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -
11	Appeal West Gateway	10/1/2009	10/1/2013	Successor Agency	Streetscape improvements unused bond proceeds	Hollister			\$ 230,333	\$ -	\$ -	\$ -	\$ -	\$ 230,333
12	Property asset maintenance			City of Hollister	Weed abatement Leathertack	Hollister	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 3,698	\$ -
13	Property asset maintenance			City of Hollister	Maintenance gravel lot 400 block property	Hollister			\$ -	\$ -	\$ -	\$ -	\$ 2,886	\$ -
14	Property asset maintenance			City of Hollister	Water service 400 block property	Hollister			\$ 2,400	\$ -	\$ -	\$ -	\$ 1,200	\$ -
15	Property asset maintenance			City of Hollister	Water service Leathertack property	Hollister			\$ 164	\$ -	\$ -	\$ -	\$ 164	\$ -
16	Appeal Eng. services \$3477.3 (b)			To be determined	400 block lot line adjustment and parcel merger	Hollister			\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
17	Contract for audit services	8/20/2012		Mann, Urbis and Nelson	Due Diligence report per AB 1484	Hollister			\$ 9,600	\$ -	\$ -	\$ -	\$ 9,600	\$ -
18	Contract for consulting services			To be determined	Successor Agency Legal counsel	Hollister			\$ 12,500	\$ -	\$ -	\$ -	\$ 12,500	\$ -
19	Appeal Bond Fiscal Agent Fee			Union Bank of California	ROPS I Fiscal Agent Fee for bonds	Hollister			\$ 5,000	\$ -	\$ -	\$ -	\$ 2,440	\$ -
20	Appeal Continuing Bond Disclosure			Wilson Financial Services	Annual continuing disclosure for bonds	Hollister			\$ 5,300	\$ -	\$ -	\$ -	\$ 5,300	\$ -
21	Appeal Arbitrage for bonds			US Department of Treasury	Arbitrage rebate for bonds	Hollister			\$ 27,505	\$ -	\$ -	\$ -	\$ 27,505	\$ -
22	Appeal Employees Costs			City of Hollister	January RDA Salaries, pension payments, obligations	Hollister			\$ 174,835	\$ -	\$ -	\$ -	\$ 174,835	\$ -
23	Appeal Emp. Benefit Compromise			City of Hollister	Employee vacation, sick and admin time accrual	Hollister			\$ 174,012	\$ -	\$ -	\$ -	\$ 174,012	\$ -
24	Appeal Post employee benefits			City of Hollister	PERS post employment benefits	Hollister			\$ 100,800	\$ -	\$ -	\$ -	\$ 100,800	\$ -
25	Appeal Agency Board Jan. pay			City of Hollister	January Agency Board monthly payments for RDA	Hollister			\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -
26	Appeal Audit Service RDA			Mann, Urbis and Nelson	2010-11 Year end audit required for former RDA	Hollister			\$ 5,865	\$ -	\$ -	\$ -	\$ 5,865	\$ -
27	Appeal Removal of Blight			City of Hollister	January, Gravelth removal	Hollister			\$ 9,365	\$ -	\$ -	\$ -	\$ 9,365	\$ -
28														

* The following items have been contested by the Department of Finance as a recognized enforceable obligation; the Department is reviewing the obligation and a decision is pending.

City of Hollister Successor Agency

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5) - non-housing assets only	\$ 16,684,758
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Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)	-
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Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)	(5,081,959)
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Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	(8,789,033)
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Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)	-
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Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)	-
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Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance - See attachment G.2	<u>(1,207,884)</u>
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Amount available to county for disbursement to taxing entities	1,605,882
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Less admin allowance to be retained, per County Auditor Controller	<u>(250,000)</u>
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Amount to be remitted to county for disbursement to taxing entities	<u>\$ 1,355,882</u>
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Note that separate computations are required for the Low and Moderate Income Housing Fund held by the Successor Agency and for all other funds held by the Successor Agency.

NOTES: For each line shown above, an exhibit should be attached showing the composition of the summarized amount.

If the review finds that there are insufficient funds available to provide the full amount due, the cause of the insufficiency should be demonstrated in a separate schedule.

Denny J. Cheuk

From: Janet Norris [JNorris@cosb.us]
Sent: Tuesday, October 09, 2012 2:57 PM
To: Mary Paxton
Cc: Brett Miller; robert.galvan@hollister.ca.gov; Erica Pastor
Subject: RE: Request for information

Hi Mary,

It sounds like you need a confirmation of the July 12 payment, is that right?

We received the City's check number 057202 in the amount of \$1,207,884 and it was deposited on July 12th into the RPPTF fund.

The funds were subsequently disbursed to the ATE's. If your auditor requires photocopies or financial system printouts please ask. Likewise if other information is needed I am happy to provide it.

Thanks,

Janet Norris

County of San Benito Auditor's Office

831 636-4090 x25

From: Mary Paxton [<mailto:mary.paxton@hollister.ca.gov>]
Sent: Tuesday, October 09, 2012 2:35 PM
To: Janet Norris
Cc: Brett Miller; robert.galvan@hollister.ca.gov; 'Erica Pastor'
Subject: Request for information

Hi Janet,

Our consultant for the Due Diligence review for non-housing assets has provided us with a list of materials they need to complete the agreed upon procedure. We will need your assistance with submitting the following information to the consultant.

<< OLE Object: Picture (Device Independent Bitmap) >>

Mary M. Paxton
City of Hollister Development Services
375 Fifth Street
Hollister, California 95023
(831) 636-4316 x16
(831) 634-4913 fax